

Overview of the Many Steps that CMS has taken to Make Sure All Dual Eligibles have Medicare Prescription Drug Coverage January 1, 2006

On January 1, 2006, responsibility for payment for the prescription drugs of over 6 million individuals who are dually eligible for the both Medicare and Medicaid will shift from the States to the Federal government. CMS working with the States has taken several proactive steps to ensure that all current and future full benefit dual eligibles will have Medicare Prescription Drug Coverage. These steps are detailed below.

How Were the Dual Eligible Individuals Identified?

- CMS has been working extremely closely with the States over the past 12-18 months to identify the dual eligible population.
- We have established and carefully validated a new data exchange system to ensure that CMS has accurate and complete information about the dual eligible population in every State.
- These data exchanges will continue on a routine basis to identify new dual eligibles on a monthly basis, and we are continuing to work with the States to further fine-tune the process.

How Were the Dual Eligibles Auto-Enrolled?

- Through our data exchanges with the States, we have identified **6,130,120** full-benefit dual eligibles.
- This number closely parallels the estimate of the number of dual eligibles that was included in the Part D final rule impact analysis. There we estimated 6.3 million duals, which included a base of 6.1 million current full dual eligibles, plus a predicted 200,000 new duals over time based on the “woodwork” effect (from those applying for the low-income subsidy (LIS) who were screened and determined Medicaid eligible).
- Consistent with the MMA, CMS has randomly assigned **5,498,604** of these individuals to Medicare prescription drug plans (PDPs) in the appropriate PDP region.
- Individuals were first assigned randomly and equally among all organizations in PDP region with at least one PDP with a premium at or below the low-income subsidy amount, and then randomly and equally among all such plans within an organization.
- Of the remaining **631,516** individuals, **626,214** will receive prescription drug coverage from managed care plans offered by their current Medicare Advantage organization, or through their existing cost plan, PACE organization or Medicare demonstration project plan. (The remaining individuals are either incarcerated or live outside of the United States.)

How Will Dual Eligibles Know Their Plan Assignment?

- **Dual Eligibles will receive a personalized notice informing them of their plan assignment.** CMS is mailing out notices during the first week of November to the nearly 5.5 million Medicare beneficiaries who were auto-assigned to a PDP. The notices, which are printed on yellow paper to be easily identifiable, explain that an individual must be

enrolled in a Medicare drug plan in order to get this coverage, and encourage them to choose a plan.

- **Calling 1-800-MEDICARE.**

Beneficiaries and people who act on their behalf may call 1-800-MEDICARE and request this information.

- **Using the Medicare Drug Plan Finder Tool on medicare.gov.**

A beneficiary or his or her representative can use the Drug Plan Finder Tool on medicare.gov to identify the plan by providing information that will uniquely identify him or her. The user will be asked to provide information that is readily available on his or her Medicare card, including the beneficiary's Name, Medicare Number, Date of Birth, Medicare Part A or Part B Effective Date, and Zip Code of Record.

- **Asking their pharmacist.**

Beneficiaries can ask their pharmacist to identify the plan they are enrolled in by sending an eligibility transaction to the TrOOP facilitator contractor. This contractor manages the system that enables a pharmacist to use existing computer systems to determine which Medicare drug plan to bill and whether someone has other drug coverage.

Many Steps to Ensure that All Current Full Benefit Dual Eligibles Get Medicare Drug Coverage on Schedule

We have worked closely with the States to identify each state's dual eligible population and thus to minimize situations where an individual presents at a pharmacy on January 1, 2006 and either is unaware of his or her assigned plan or has no assigned plan. Just as important, in recognition that some such situations are unavoidable, we have developed strategies to deal with all such situations and thus ensure that there is a continuous bridge between Medicaid and Medicare drug coverage for all dual eligibles.

- We are working very closely with States to accomplish advance auto-assignment for individuals, including steps to resolve any State/CMS data mismatches well ahead of auto-assignment taking effect.
- CMS will obtain advance data from States to identify Medicaid beneficiaries before they become eligible for Medicare so that they can be assigned to a plan with no gap in drug coverage.
- For dual eligibles who arrive at a pharmacy unaware of their assignment the pharmacy can contact CMS' TrOOP facilitator to determine their plan assignment and co-payment information.
- While we expect that these steps will ensure dual eligibles get the coverage they need, CMS is working on a point-of-sale mechanism to ensure full duals experience no coverage gap. We are establishing a process whereby beneficiaries who present at a pharmacy with proof of both Medicaid and Medicare eligibility can have the claim for their medication submitted for payment even if they do not have current enrollment in a Medicare drug plan. The beneficiary can leave the pharmacy with a prescription, and a CMS contractor will immediately follow up to validate eligibility and facilitate enrollment into a Medicare prescription drug plan.